DOCUMENT RESUME

ED 305 171 PS 017 888

TITLE Hospital-Sponsored Child Care: A 1988 National Survey.

INSTITUTION American Association of Healthcare Consultants, Fairfax, VA.; American Coll. of Healthcare Executives, Chicago, IL.

PUB DATE Feb 89
NOTE 28p.
PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Administrator Attitudes; *Cost Effectiveness; Day Care; Early Childhood Education; *Employer Supported Day Care; Financial Support; Fringe Benefits; *Government Role; *Hospitals; Incidence; National Surveys
IDENTIFIERS *Program Characteristics

ABSTRACT

A representative sample of 965 U.S. hospitals was surveyed for the purpose of obtaining information about: (1) current and projected involvement in provision of child care services to employees and their communities; and (2) hospitals' views of the costs and benefits of offering child care services, and of appropriate governmental policies. Findings (based on an overall response rate of 66.5%) indicated that hospitals were taking a leadership role in employer-sponsored child care programs. A total of 38 percent of the hospitals provided some form of child care assistance to employees. It was estimated that by the end of 1989, three-fourths of U.S. hospitals would have some form of child care. Executives believed that the greatest net benefits of child care programs to the hospital were: (1) alleviation of the nursing shortage; (2) increased retention and recruitment of employees; and (3) reduction in absenteeism. Perceived obstacles were: (1) the expense of providing services; (2) lack of space; and (3) liability insurance. Executives strongly supported governmental initiatives to assure that minimum standards of quality are maintained in child care facilities. About half of the executives favored government subsidizing of child care for low-income families. Tables are included. (RH)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED305171

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

X This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

HOSPITAL-SPONSORED CHILD CARE

A 1988 National Survey

PS 017883

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
Peter A. Weil

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

American College of Healthcare Executives
American Association of Healthcare Consultants

Executive Summary

In the fall of 1988, The American College of Healthcare Executives, working in partnership with the American Association of Healthcare Consultants, surveyed a representative sample of hospitals throughout the U.S. to determine their current and projected involvement in providing child care services to their employees and their communities, to learn about their views of the costs and benefits of offering child care services in their hospitals, and to understand their views on appropriate governmental policies that should be pursued.

This study shows that hospitals are taking a leadership role in employer-sponsored child care programs. Overall, 38 percent of hospitals are providing some form of child care assistance to their employees. Compared to business organizations in general, hospitals are three-times more involved in providing child care benefits and services to their employees. And by the end of 1989, it is estimated that three-quarters of all U.S. hospitals will have some form of child care program in place.

Our data indicate that hospitals are offering child care benefits and services in a variety of ways ranging from providing information and referral to sponsoring an on-site child care facility. In addition, they use a variety of methods to assist their employees with the costs of child care.

Generally, differences exist in the kinds of hospitals currently involved. Those participating are larger (over 200 beds), not-for-profit, located in cities with less than 250,000 people and in the Midwest. Sick child care programs are somewhat more likely to be offered in multihospital systems and in the Midwest. Conversely, hospitals currently not involved tend to be smaller, investor-owned, located in nonmetroplitan areas and in the South.

Executives believe that the greatest net benefits of child care programs to the hospital are in helping to alleviate the nursing shortage, in retaining and recruiting employees and reducing absenteeism. They also reported the three biggest obstacles to becoming involved in child care are the expense of providing services, lack of available space and concerns about liability insurance. However, these obstacles were perceived to be much greater by hospital executives who are not currently involved in some kind of child care program than those who currently offer some program.

Finally, hospital executives strongly supported governmental initiatives to assure that minimum standards of quality are maintained in child care facilities. Approximately half of the executives favor government subsidizing child care for low-income familes. Another quarter would extend government support to families above the median income, while the remaining quarter believe the government should not pay for child care at all.

Introduction

Hospitals today are the seventh largest employer in the U.S. Though currently beset by increasing costs and declining revenues, their employees continue to provide healthcare services to patients 24 hours a day, 365 days a year. Eighty percent of hospitals' staffs are women, many with parental responsibilities.

We conducted this study to learn more about hospitals' involvement in child care and what specific services hospitals are offering their employees. It is estimated that in the coming decade, two thirds of the nation's entrants to the workforce will be women and 87 percent of women in the workplace will have children. Studying hospitals, therefore, gives us the opportunity to examine the microcosm of our future workforce and how employers may adapt to the needs of their employees.

Apart from studying what hospitals are doing for their employees, we were curious about what child care services and programs hospitals were offering their communities. Moreover, we wanted to learn about how executives appraise the costs and benefits of child care, and what the major obstacles to implementing such programs might be. Finally, because many legislative proposals have been initiated in Congress and because child care continues to be cited as an area of likely federal legislation, we report hospital executives' views on the appropriate work/family policies government should pursue.

Methodology

A six-page questionnaire was mailed in October, 1988 to a random sample of 965 U.S. hospital executives who were affiliated with the American College of Healthcare Executives (the College). To assure representativeness, no more than one hospital executive was surveyed in any hospital.

Because we expected that larger hospitals would be more involved in child care activities, we stratified the hospitals by bedsize and oversampled executives in larger hospitals. The overall response rate was 66.5 percent. By size, the lowest response rate was obtained from hospitals under fifty beds -- 57 percent. The highest response rate was obtained from hospitals between 200-399 beds where 72 percent responded. This report presents information which was weighted to reflect the national distribution of hospitals. The effective sample size is 524. (Appendix A shows the number of hospitals sampled by bedsize and by the response status.)

When comparing respondents with nonrespondents, we noted significantly fewer respondents from those in investor-owned hospitals and in hospitals which are part of multihospital systems. However, other comparisons such as hospital size, general medical and surgical hospitals versus specialty hospitals and length of stay were not statistically significant.

How Hospitals Are Contributing to Their Employees' Child Care Needs

In our national, representative sample of hospitals, 37.9 percent provide one or more of the following child care benefits or services for their employees: information and referral services; on-site child care facility; off-site child care facility; assistance with child care expenses; and sick child care services. In contrast, a 1988 report by the Bureau of Labor Statistics found that current corporate support amounted to 11.1 percent. Thus, hospitals as compared to other industries are much more involved in child care benefits and services for their employees.

Child care information and referral services are about four times more prevalent in hospitals (19.2 percent), than in businesses (5.1 percent). Eleven percent of hospitals offer child care services on site, in facilities located in or near the hospital. In contrast, 2.1 percent of other businesses offer such child care services. Another 7.3 percent of the hospitals reported that they offer child care off site. (See Table 1.)

In addition, 11.1 percent of hospitals, compared to 3.1 percent of other businesses, assist their employees with child care expenses, and 10.5 percent of the respondents indicated that they provide sick child care services for their employees. Usually such care refers to a special area set aside for mildly ill children at a center, the provision of nursing care in a hospital setting or the child's home (Fredericks et al., 1986).

Some employers consider flexible working hours as another means to assist their employees who have parental responsibilities. Flexible work hours are offered by 14.2 percent of hospitals compared to 43.2 of other businesses.

Of the 62 percent of hospitals that currently provide no child care support or services, 38 percent anticipate beginning involvement in 1989, while the remaining 24 percent do not have such plans. Those anticipating involvement in child care during the next year reported the following:

- 39 percent will provide information and referral services.
- 28 percent will help to underwrite employee child care expenses.
- 21 percent will offer sick child care services to the children of employees.
- 19 percent will initiate on-site child care facilities.

TABLE 1

Hospital and Business Child Care Support and Services

	Hospitals	Business*
Provides child care benefits or services	37.9%	11.1%
Specific benefits or services offered:		
Child care information and referral	19.2%	5.1%
On-site child care facility	11.0	2.1
Off-site child care facility	7.3	NA
Assist with child care expenses	11.1	3.1
Sick child care services	10.5	NA
Flextime	14.2	43.2
Weighted sample size	524	9062**

*Source: U.S. Department of Labor, Bureau of Labor Statistics News Release USDL 88-7, January 15, 1988.

**Representative sample of U.S. (nonagricultural) business establishments and government agencies with 10 or more employees.

Note: The individual categories do not sum to 100 percent because some employers provide no child care, some provide one and others offer more than one benefit or service.

Child Care Offered by Hospitals to the Community

Because hospitals provide family-related services to their communities, we asked what child care services are currently offered to the general public. In recent years, some pediatric departments have established outpatient sick child care services. This type of service offered to working parents in the community for children who are mildly ill or recuperating from an illness is relatively new. Such programs typically open early in the morning, and parents are allowed to visit at any time. They provide meals and quiet activities resembling the comfort and care provided at home. When parents pick up the child after work, they receive a record of care given, food and activities (Fredericks et al., 1986).

As shown in Table 2, 22 percent of hospitals currently offer their communities some kind of child care service. Sick child care services is most commonly offered; 12 percent of the hospitals provide this.

Ten percent of hospitals provide information and referral about child care to the public at large. Five percent reported that their on-site facilities were open to the public, while 3 percent of the hospitals' off-site child care centers did so. Comparing these results for the general public with the previously reported findings for hospital employees suggests that hospitals today are providing about twice as much child care to their employees as to their communities.

TABLE 2

Child Care Services Offered to the Public
(Percent)

Provides any child care benefits or services	22%
Specific services offered:	
Sick child care services	12%
Child care information and referral	10%
On-site child care facility	5%
Off-site child care facility	3%

NOTE: Percentages do not total to 100 since respondents could choose any or none of the alternatives.

Kinds of Hospitals Involved in Child Care

Previous research suggested that larger hospitals offer more child care services than smaller hospitals (ASPA, 1988; Burud et al., 1984; New York State, 1987). This research confirms that in every measure of child care involvement examined, larger hospitals (as measured by bed size) tend to offer their employees more child care support. In the case of offering child care services, either on-site or off-site, there appears to be a threshold effect. Hospitals under 200 beds tend not to offer such services; while those with more than 200 beds are significantly more likely to offer them.

The size of the hospital also relates to whether or not it helps underwrite employees' child care costs, provides sick child care, or offers flexible work hours. In these areas, there is a direct linear relationship between offering the service and hospital size. Finally, larger hospitals--particularly those over 200 beds--are more likely to offer information and referral.

Ownership of the hospital is associated with providing some types of child care programs to employees. For example, significantly more not-for-profit, church-related hospitals provide services for sick child care than other types of hospitals. On the other hand, governmental hospitals--whether federal, state or local--tend not to underwrite the costs their employees incur for child care services.

In comparing hospitals with any child care participation and those with none, investor-owned hospitals are significantly less likely to provide child care than others. Thus, while overall 38 percent of the sample are currently involved in child care for their employees, 20 percent of the investor-owned hospitals reported involvement.

Next, we compared hospitals that were members of multihospital systems with freestanding institutions. One significant difference emerged: system members are somewhat more likely to provide their employees with sick child care. Sixteen percent of system hospitals provide sick child care compared to nine percent of freestanding hospitals.

Location also appears related to offering child care to employees. Significantly more hospitals in the Midwest offer their employees care for their sick children than hospitals in other regions. Even so, this is not a prevalent benefit: 17 percent offer it in the Midwest; 11 percent offer it nationwide.

Comparing cities of different sizes showed many differences in the prevalance of hospital-sponsored child care. Both on-site child care and flexible work hours are offered less often in nonmetropolitan areas. In general, such places are significantly less likely to be involved in child care; 29 percent of hospitals in nonmetropolitan areas compared to 38 percent of hospitals nationally offer some kind of child care services. Cities with less than 250,000 tend to be more involved in child care; 53 percent reported some current involvement. Specifically, hospitals in these smaller cities are more likely to have on-site child care services, help underwrite employees' child care costs, offer services for sick child care, and offer flexible work hours.

In contrast to the results found for the types of hospitals that currently offer child care to their employees, few significant relationships appeared when we considered the types of hospitals that are currently providing child care to their communities. The few we noted relate to ownership and size of place.

First, investor-owned hospitals are less likely than others to offer some kind of child care to their communities. Thus, while overall, 78 percent of respondents currently offer no child care services to their community, 92 percent of investor owned respondents are uninvolved.

Hospitals varied in offering child care to communities by size of place; significantly more hospitals in the largest cities (over one million population) offer on-site child care. But in general, hospitals in communities of less than 250,000 are more likely to offer services for sick children (26 percent) than the nation as a whole (12 percent). Again, hospitals located in these smaller cities tend to offer some kind of child care services to their communities (37 percent), as compared to 22 percent nationally.

In summary, hospitals are offering child care in various ways but there are differences in the kinds of hospitals currently involved. Those currently participating are larger, not-for-profit, located in cities of less than 250,000 and in the Midwest. Those currently not involved are smaller (less than 200 beds), investor-owned, located in nonmetropolitan areas and in the South.

Financial Contributions to Child Care Programs

The amount of financial commitment of a hospital to child care programs for its employees can vary widely. Some hospitals cover all or most of the program's costs for child care. Others contribute by taking on administrative burdens such as providing information and referral, creating reimbursement or flexible spending accounts, or easing scheduling requirements. In still other arrangements, costs are shared or totally paid by the employees.

Our findings, presented in Table 3, suggest that hospitals use several methods to help underwrite their employees' child care costs. Discounts at a specific facility is the method most used by hospitals to assist employees financially. Twenty-seven percent of the hospitals utilize this option. A slightly smaller percentage of hospitals, 24 percent, offer a flexible benefit, or cafeteria plan with a dependent care option. A financial contribution to an off-site center is implemented by 11 percent of hospitals.

Seven percent of hospital employees are reimbursed for sick child care expenses. An additional seven percent of hospitals reimburse their employees for child care expenses. Such reimbursement, often referred to as a flexible spending account, may be funded by employee salary reductions, employer contributions or both.

In a salary reduction arrangement, the employee makes a pretax contribution to the spending account, which reduces the amount of the salary subject to income and Social Security tax. The amount of salary reduction the employee wishes to contribute is made at the beginning of the year and any dollars unused must be forfeited at year's end. Thus, this arrangement prohibits refunds to the employee at the end of the year or carryover to the next. Unused funds are available to the employer for program management (EBRI, 1988).

In Table 1 we noted 11 percent of our sample sponsored on-site child care facilities for their employees. The costs for establishing and maintaining such a facility will depend upon its projected size and usage, the availability of building space or land, and type of program to be undertaken. Because of these complicating factors, a comprehensive estimate of hospitals' financial contribution to employees' child care could not be ascertained.

TABLE 3

Financial Contributions to Hospital Employee Child Care Programs

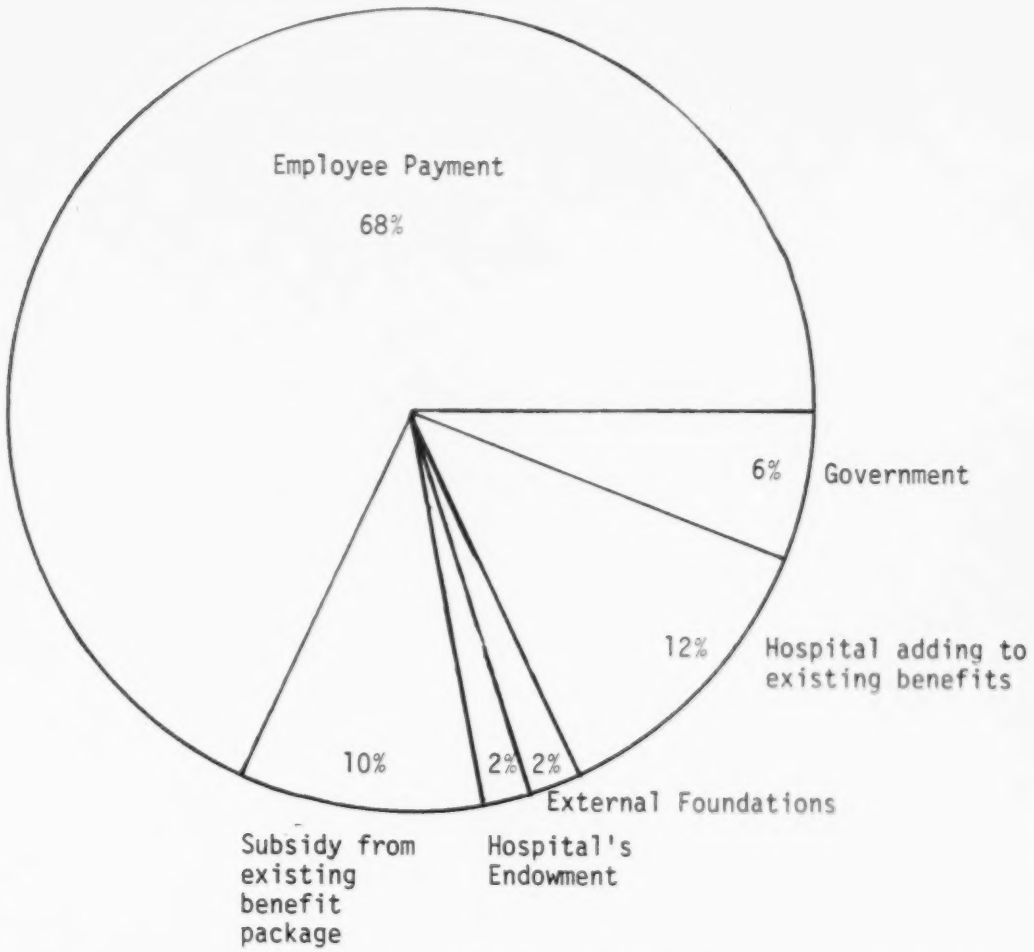
Discounts at a specific child care facility	27%
Flexible benefit (cafeteria) plan with a child care option	24
Financial contribution to off-site facility	11
Sick child care reimbursement	7
Employees are reimbursed through a voucher system	7
Number of respondents	523
Missing	1

Sources That Should Fund Child Care

On average, executives believe that nearly 70 percent of the costs of child care should come from hospital employees themselves. The remaining funds should come from additions to the existing benefit package (12 percent); from the existing benefit package (10 percent); government support (6 percent); and the remainder from the hospital's endowment and external foundations.

FIGURE 1

Sources for Funding Child Care



Question: A recent survey in a major U.S. city estimated the weekly cost of child care is $109. If a child care program were to be offered by your hospital, in your opinion, what sources should be used to fund its operation?

A Classification of Participation in Child Care

To obtain a better overall understanding of the impact of child care on a hospital, we needed to develop an indicator of involvement. Therefore, we classified hospitals into one of three categories. The first group, referred to as 'Non participants,' currently offers no child care programs for employees and have no plans for involvement in 1989. One-fourth of the sample was classified as 'Non participants.'

The second group currently offers employees no child care programs, but plans to participate beginning in 1989. They comprised 38 percent of the sample and are referred to as 'Future participants.' Such plans included any of the following: providing an on-site child care facility; offering financial support (e.g., a voucher system, flexible benefit plan with a child care option); providing sick child care services; or initiating information and referral.

The third group of hospitals, 'Participants,' are currently participating in one or more of the following child care programs: on-site child care; off-site child care; underwriting some or all of employees' child care costs; offering services for sick child care; or providing information and referral. In all, 37 percent of the (weighted) sample, were classified as currently participating hospitals.

To help characterize the Non participating, Future participating and the Participant groups, we compared them relative to size, control, system membership, size of place, and geographic region. Systematic relationships again appeared. However, Non participants were disproportionately small (under 100 beds), investor-owned, and located in the South. In contrast, current Participants were large (over 200 beds), and were located in metropolitan areas. Future participants were not easily distinguished using these measures.

Finally, we thought that a hospital's nurse vacancy rate might account for the differences. However, no significant differences appeared. The mean nurse vacancy rate for Non participants was 8.8 percent, for Future participants 9.7 percent, and for Participants 9.0 percent. To reiterate, the means for the three groups are not significantly different.

The Relative Benefits and Costs of Involvement in Child Care

Many reasons are put forward to argue for child care support. When hospital executives were asked their opinions of the net benefit/cost of child care support on ten issues, five received endorsement (i.e., the benefit outweighed the costs). In four items however, the costs outweighed the benefits; and on one item, respondents felt costs equaled benefits.

The groups' overall responses are presented in Table 4. The greatest benefit/cost ratio arguing for child care (see weighted means) are in alleviating the nursing shortage, retaining and recruiting employees and reducing absenteeism. In addition, child care involvement constitutes a net benefit in our respondent's views by improving the hospital's community image.

TABLE 4

Executives' Appraisals of the Net Cost/Benefit of Child Care
(Row percentages, Overall and By Experience)

	Cost Outweighs Benefit		Cost Equals Benefit		Benefit Outweighs Costs	Mean
Alleviating Nurse Shortage**	9%	14%	25%	32%	20%	3.4
Non Participants	20%	16%	24%	27%	13%	
Future Participants	6	17	24	32	21	
Participants	5	12	28	32	23	
Retaining Employees**	10	14	23	30	23	3.4
Non Participants	22	21	21	23	13	
Future Participants	8	15	25	30	23	
Participants	5	10	23	35	27	
Recruiting Employees**	12	13	25	26	24	3.4
Non Participants	22	18	22	23	15	
Future Participants	9	12	30	28	21	
Participants	10	11	22	28	29	
Reducing Absenteeism**	11	16	27	27	19	3.3
Non Participants	22	22	23	21	12	
Future Participants	8	15	31	29	17	
Participants	6	15	29	28	22	
Community Image*	16	19	25	23	17	3.1
Non Participants	26	22	21	23	8	
Future Participants	13	20	29	21	17	
Participants	13	15	24	27	21	
Employee Productivity**	12	19	37	20	12	3.0
Non Participants	23	23	25	19	10	
Future Participants	9	23	41	18	9	
Participants	7	14	42	23	14	
Quality of Patient Care*	17	18	40	17	8	2.8
Non Participants	29	17	35	15	4	
Future Participants	15	21	39	17	8	
Participants	12	17	41	20	10	

TABLE 4 (Continued)

	Cost Outweighs Benefit		Cost Equals Benefit		Benefit Outweighs Costs	Mean
Reducing Tardiness**	19%	22%	31%	18%	10%	2.8
Non Participants	28%	31%	19%	16%	6%	
Future Participants	21	20	34	17	8	
Participants	11	17	36	23	13	
Union Negotiations	31	19	34	8	8	2.4
Non Participants	35	20	28	10	7	
Future Participants	31	20	35	6	8	
Participants	26	19	37	9	9	
Profitability*	29	25	34	8	4	2.3
Non Participants	39	25	26	7	3	
Future Participants	26	29	37	5	3	
Participants	24	22	36	12	6	

* $p < .05$
** $p < .001$

The greatest cost of child care involvement, relative to benefits realized in our respondents' opinion, was in the area of hospital profitability. Other features where costs outweighed benefits were negotiating with unions, reducing tardiness, and improving the quality of patient care. On one item, employee productivity, costs equaled benefits.

While these overall impressions are useful in portraying the general view of hospital managers' concerns about child care, a more informed group might permit different conclusions. Therefore, we compared hospitals with more experience in child care today (i.e., Participant hospitals versus Future participants and Non participant hospitals).

To learn about their evaluations of the net cost or net benefit of specific features about child care, we first summed the percentages to the right of the middle value on Table 4 (cost equals benefits) to determine the proportion that felt child care produced a benefit. Then we summed the values to the left of the middle value to obtain the proportion, viewing the characteristic as a cost to the hospital. To obtain each group's net appraisal of the characteristic, we subtracted the proportion who viewed it as a cost from the proportion who viewed it as a benefit.

In eight out of ten instances, executives at Participant hospitals perceive child care involvement as a net benefit to their institutions. In only two areas do they consider costs to outweigh the benefits--profitability and negotiating with unions. In general, a rank ordering of the means for the three types of hospital responses show similar appraisals of the value of child care involvement. However, the differences in the group's opinions rests in their assessment of the net cost or benefit.

While Participant hospitals denoted only two net costs of child care involvement (unions and profitability), Future Participant hospitals assigned five factors as net costs over benefits to the hospital adding three to those already so noted by Participants: employee productivity; quality of patient care; and reducing tardiness. Finally, Non participant hospitals found that nine factors were net costs and only one factor, alleviating the nursing shortage, constituted a net benefit.

As discussed above, there were no significant differences between participation by hospitals in child care for their employees and their nurse vacancy rates. Therefore, based on the perceptions of the net benefits of child care, it may be that if the nursing shortage crisis persists, an increasing number of hospitals will become involved in child care services and programs for this reason.

Why Some Hospita Are Involved in Child Care
While Others Remain Disinterested

To understand the leading impediments to a hospital's involvement in child care for its employees, we askec all respondents to consider eleven possible factors and rate each on a scale ranging from '1' 'not an obstacle' to '5' 'a major obstacle.' Table 5 presents the findings for all hospitals by the classification scheme.

Overall, the biggest obstacle to becoming involved in child care was the cost associated with the activity. Specifically, respondents cited the expense of child care assistance or services and the lack of space as the key obstacles--more than one third of the respondents acknowledged these issues to pose significant obstacles to their hospital's involvement. Also, obtaining liability insurance for child care was a major hurdle. A higher proportion of Non participant hospitals affirmed that each of the cost-related measures posed a major obstacle to them as opposed to either Future participants or Participant groups. Well over half of the Non participant hospitals cited the expense and space issues as major obstacles--double that indicated by the Participant group.

The second set of factors which seem to form a barrier are collectively referred to as the 'administrative burden.' Included here are issues of employee equity, such as 'difficulty in offering child care services to all categories of employees,' and 'concern that employees without children will object to child care benefits.' Other features which hospitals acknowledge as forming a barrier are: stringent hospitals ordinances for child care; not enough qualified child care personnel; and preference by employees for a child care center near their home.

In general, these administrative burdens posed a lower barrier to establishing or facilitating child care than did the cost factors. Overall, between four and eleven percent of the respondents cited these factors as major obstacles. For three of these administrative measures, a gradient in response is apparent with Non participants exceeding Participants and Future participants in the proportion acknowledging the potential impediment as a major obstacle. Thus, significant differences appear in relation to both employee equity issues and the lack of qualified personnel.

However, two administrative measures show no relationship to current or future involvement in child care. Neither stringent local ordinances nor the fact that employees want child care facilities near their home distinguished the three types of hospitals.

The final set of potential obstacles to hospitals' involvement in child care concerns the philosophy of the hospital's key decision makers. Included here were three items: 'Lack of commitment from top management;' 'Belief that employers should not be involved in child care;' and 'Lack of evidence that child care services provide benefits to the hospital.'

As a major obstacle these factors also ranged from four to eleven percent of respondents. Very few (three percent overall) felt that 'employers should not be involved' constituted a major hurdle. Nevertheless, the gradient observed from Participant to Non participant hospitals appears in the philosophy responses as well. These results suggest that managers' beliefs are associated with a hospital's involvement in child care.

TABLE 5

Obstacles to Child Care
(Row percentages, Overall and By Experience)

	No Obstacle				Major Obstacle	Mean
COSTS						
Expense**	7%	7%	17%	32%	37%	3.9
Non Participants	5%	6%	11%	25%	53%	
Future Participants	5	5	18	33	39	
Participants	9	10	20	34	27	
Space*	11	7	14	22	46	3.8
Non Participants	10	5	6	17	62	
Future Participants	6	9	14	22	49	
Participants	18	7	19	25	31	
Liability Insurance**	18	14	26	23	19	3.1
Non Participants	13	9	28	22	28	
Future Participants	11	14	26	29	20	
Participants	28	15	28	18	11	
ADMINISTRATIVE BURDEN						
Can't Give to All Types of Employees*	25	21	23	20	11	2.7
Non Participants	20	19	20	25	16	
Future Participants	22	22	26	20	10	
Participants	33	22	21	16	8	
Stringent Local Ordinances	27	21	27	17	8	2.6
Non Participants	27	21	26	17	9	
Future Participants	23	21	30	17	9	
Participants	32	21	23	17	7	
Lack of Qualified Personnel*	21	25	34	14	6	2.6
Non Participants	21	19	31	20	9	
Future Participants	14	28	37	16	5	
Participants	28	27	30	10	5	

TABLE 5 (Continued)

	No Obstacle				Major Obstacle	Mean
Objections from Employees Without Children	31%	22%	28%	14%	5%	2.4
Non Participants	26%	13%	37%	14%	10%	
Future Participants	27	24	27	16	6	
Participants	35	28	23	13	1	
Employees Who Want Child Care Near Home	30	28	27	11	4	2.3
Non Participants	28	21	35	11	5	
Future Participants	31	30	26	10	3	
Participants	33	29	23	12	3	
PHILOSOPHY						
Lack of Beneficial Evidence**	20	25	30	14	11	2.7
Non Participants	10	24	28	15	23	
Future Participants	17	25	32	17	9	
Participants	30	26	29	10	5	
Lack of Commitment from Top Management**	38	20	23	10	9	2.3
Non Participants	26	16	23	13	22	
Future Participants	31	23	28	13	5	
Participants	53	20	18	5	4	
Belief Employers Should Not Be Involved**	48	23	21	4	4	1.9
Non Participants	32	25	24	7	12	
Future Participants	46	24	24	4	2	
Participants	61	21	15	3	0	

* $p < .05$
** $p < .001$

Executives' Views on the Appropriate Role of Government in Funding and Regulating Child Care Initiatives

Federal government first became involved in child care in the 1930s where federal funds were used to finance nursery schools under the Works Progress Administration (WPA). Thereafter it supported child care for women who worked in defense plants during World War II. After the War, however, popular support for day care center dissipated; federal funding was withdrawn.

However, in 1954 a revision in the tax laws allowed a small deduction for child care expenses. In 1964, Project Head Start was initiated to permit remedial education for economically deprived children. Also tax deductions were increased at that time.

A major federal child care impetus in 1971 designed to support child care for welfare recipients, to upgrade physical facilities, broaden eligibility for tax deductions and improve the existing programs was vetoed under pressure from the Moral Majority and other conservative groups. Since 1976, however, tax credits for child care expenses have increased and employers are eligible for tax credits when offering child care assistance. Nevertheless, under the Reagan administration, federal cuts in bloc grants to states resulted in fewer children being served (Fernandez, 1986, Kahn and Kamerman, 1987).

Today federal support for child care takes a variety of forms. In 1987, the federal government spent $6.2 billion on child care, either indirectly through child-related tax credits, or through direct support of child care programs for poor and low-income families. Two income tax credits are currently available--the Child Care Credit and the Employer-Provided Child and Dependent Care Services Credit. They account for approximately $3.5 billion of federal assistance. The latter credit permits an employer to create what was earlier described as a flexible spending account for their employees' child care expenses. Child care programs for the poor such as Head Start, Social Services Block Grants, the Child Care Food Program, represent about $2.7 of the $6.2 billion in federal spending (Besharov and Tramontozzi, 1988).

Despite the nation's enormous deficit and the desire to impose no new taxes, labor shortages facing employers and increasing demands from working parents have created a renewed interest in expanding child care support at the federal level. Since over 100 legislative proposals were introduced in the 100th Congress, we asked hospital executives to appraise various initiatives affecting child care assistance by the federal government. Important to note here is that respondents were asked to give us their opinions as citizens and not as managers of hospitals per se. We grouped their responses into three areas of the current public policy debate on child care--affordability, quality and equity.

Affordability

Recalling that the cost issues presented the greatest obstacles to a hospital's involvement, do our respondents think there is a role for government to help fund child care? As seen in Table 6, 68 percent of the executives agree that additional tax credits should be provided to employers. In addition, 58 percent thought families should be given

TABLE 6

Attitudes Regarding Government Initiatives on Child Care

	Agree	Disagree	Uncertain
Affordability			
Additional tax credits should be given to employers for providing child care assistance.	68%	18%	14%
Families should be given greater tax deductions to pay for child care as they see fit.	58	20	22
Federal government should provide state and local grants for expanding child care facilities.	44	27	29
Federal or state government should create insurance pools to provide liability coverage for child care services.	40	25	35
Quality			
Personnel of child care facilities must have basic educational training in child healthcare and development.	88	5	7
To assure minimum standards of quality, government should license child care facilities.	86	8	6
Equity			
Any government plan that fails to treat all families equally relative to child care is unfair.	38	40	22
For now, government should only subsidize child care for low-income families.	44	39	17
Government funds should not be used to support child care where religious education occurs.	40	41	19

greater tax deductions to pay for child care as they see fit. Thus, a clear majority support the concept of increased underwriting of child care services by government. Disagreement was in the high teens for both.

Another potential obstacle to providing child care is the availability of adequate child care facilities in their communities. At the time of survey, 57 percent of the respondents had investigated the local child care capacity. Of this group, 52 percent indicated that shortages existed. Not surprisingly therefore, federal initiatives for providing state and local grants to expand child care facilities received considerable support. Forty-four percent approved of such grants and 27 percent disapproved.

As noted earlier, one-fifth of hospital executives reported that obtaining liability insurance was a major barrier to creating child care services for their employees. Table 6 shows that 40 percent supported the idea of government creating insurance pools to provide liability coverage for child care centers.

Over a third of the respondents were uncertain about creating such insurance pools. It may be that respondents lacked accurate information about liability insurance for child care services. The actual costs for such insurance are readily available. Estimates published by researchers from the Bank Street College and New York University amount to $40-$60 per child per year for on-site care (Galinsky et al., 1988).

Quality

A quality-related problem, cited by a fifth of the respondents as a barrier to their hospital's involvement, was the lack of qualified child care personnel. Approximately 90 percent of the executives endorsed the concept that personnel of child care facilities must have basic educational training in child healthcare and development.

Another quality issue, stringent local ordinances, was cited as an obstacle by over a quarter of the respondents. Yet, when asked whether or not the government should license child care facilities to assure minimum standards of quality, 86 percent concurred.

Equity

In the past year many have called for a reordering of priorities and better targeting of child care assistance, yet no consensus has emerged in Congress. As seen in Table 6, hospital executives also have not come to consensus regarding the equity of several alternative child care measures. For example, approximately two-fifths favored government treating all families equally while the same proportion rejected this egalitarian idea. Similarly, executives were split on government's subsidizing of child care only for low-income families. These results are interestingly contrasted with those reported in Table 4 where as employers, 20-30 percent expressed concern that the employees in their hospital be treated equally.

What did executives think about the teaching of religion in child care centers? Should such centers be eligible for government funds? As with the other equity issues, respondents were equally divided; two-fifths approved and two-fifths opposed the proposal.

Despite the lack of consensus among executives on whether government should only subsidize child care for the poor versus all income groups, a sizeable majority of executives--74 percent--favor some type of government assistance for child care. Eleven percent feel all child care costs should be paid by the government to those below the poverty line. (See Table 7.) Nearly 40 percent believe government should pay partial costs for families earning up to $20,000 based on sliding scale. Sixteen percent are in favor of such a program with a cap of $40,000, and still another nine percent think government support should be capped at $60,000. In contrast, 26 percent do not feel that government should fund child care at all.

Even though, as noted in Table 6, almost half of the hospital executives we surveyed support subsidizing child care for lower-income families, it could be argued that further tax credits to this group may not be of use to them. A recent analysis of the Child Care Credit suggests that the credit favors moderate and upper income groups. Poorer families cannot benefit from the tax credit, even if they qualify, because their tax liability is very low and they have fewer dollars to offset the credit. Moreover, these families do not spend much on child care because they cannot afford to pay for it (Barnes, 1988).

The Future Role of Hospitals and Other Employers in Child Care

To conclude our survey, we asked hospital executives about what they felt was the role of a responsible employer in a hospital or elsewhere relative to funding of child care services. Thirty-five percent assert that assisting in such funding was the role of the responsible employer. While 25 percent were uncertain, forty percent disagreed with this role. Part of this ambivalence may be accounted for in their views of what is best for children. For example, when asked whether children are best reared by having a parent at home full-time, nearly half (48 percent) agreed, 34 percent disagreed, and 18 percent were uncertain.

Nevertheless, a clear majority, 60 percent of the executives polled agreed that child care should be among the benefit options which employers offer. Fourteen percent disagreed with this statement and 26 percent were uncertain. These attitudes suggest that child care benefits are endorsed by an important segment of the healthcare leaders of our nation. This endorsement, coupled with the current involvement of hospitals generally, suggests that child care as an employee benefit appears to merit consideration by other industries as well.

TABLE 7

Government Should Pay the Costs of Child Care for:	
No families, government should not fund child care	26%
All costs for families below the poverty line	11
Partial cost up to $20,000*	38
Partial cost up to $40,000*	16
Partial cost up to $60,000*	5
All cost for families regardless of income	4
	100%
Number of respondents	518
Missing	6

*Using a sliding scale based on family income.

Conclusion

This national survey of hospitals' involvement in child care confirms that hospitals are leading the nation in responding to their employees' needs. Based on the experience of those currently involved in providing child care programs and services to their employees, executives assess their principal benefit to be in recruiting and retaining employees--especially nurses. Moreover, a majority believe that child care should be among the benefit options which employers should offer.

Major existing deterrents in establishing child care for employees in hospitals are the costs--both direct expenses as well as the requirements for space and liability insurance. As informed citizens, hospital executives endorse the view that government should help to defray the costs of providing child care. Indeed a majority support tax credits to employers or to families. Overwhelmingly, they support government's licensing of child care facilities to assure minimum standards of quality.

The experience and opinions of hospital executives are useful indicators of possible policy directions. This study will hopefully contribute to the ongoing debate about the provision of child care in an era of enormous change.

References

Allis, Jane M. Child Care Programs For Health Care Organizations: Decision Making and Implementation. Ann Arbor, MI: Health Administration Press, 1989.

American Society for Personnel Administration. Employers and Child Care: 1988 Child Care Survey Report. Washington, DC: American Society for Personnel Administration, 1988.

Barnes, Roberta Ott. "The Distributional Effects of Alternative Child Care Proposals." Paper presented at the annual meeting of the Association for Public Policy and Management Analysts, Seattle, WA, October 23, 1988.

Besharov, Douglas J. and Tramontozzi, Paul N. "Child Care Subsidies: Mostly for the Middle Class." The Washington Post, May 2, 1988, p. A21.

Burud, Sandra L., Pamela R. Aschbacher, Jacquelyn McCroskey. Employer-Supported Child Care: Investing in Human Resources. Boston: Auburn House Publishing Co., 1984.

Employee Benefit Research Institute. "Dependent Care: Meeting the Needs of a Dynamic Work Force." EBRI Issue Brief 85 (December, 1988).

Fernandez, John P. Child Care and Corporate Productivity: Resolving Work and Family Conflicts. Lexington, MA: D.C. Heath and Co., 1986.

Fredericks, Beth, Robin Hardman, Gwen Morgan, Fran Rodgers. A Little Bit Under the Weather: A Look at Care for Mildly Ill Children. Boston: Work/Family Directions, 1986.

Friedman, Dana E., Senior Research Associate, The Conference Board. Personal communication, January 25, 1989.

Galinsky, Ellen, Judy David, Diane Hughes. Trends in Corporate Family -- Responsive Policies. New York: Bank Street College of Education, 1988.

Kahn, Alfred J. and Sheila B. Kamerman. Child Care: Facing the Hard Issues. Dover, MA: Auburn House Publishing Co., 1987.

New York State Commission on Child Care, Committee on Employer Responsibility. Employers and Child Care in New York State. Albany: New York State Division for Women, 1987.

Appendix A

Population, Sample and Respondents by Bed Size

Bed Size	Population	Sample	Respondents	Weighted Sample	Weighted Respondents
0-50	1503	94	54	175	100
50-100	1714	149	102	179	122
100-200	1657	239	154	201	130
200-400	1391	269	194	152	111
400+	799	216	138	95	61
TOTALS	7064	965	642	802	524

Sponsors

This survey of hospital-sponsored child care was conducted through the combined efforts of the American College of Healthcare Executives and the American Association of Healthcare Consultants. The project was developed and conducted between May, 1988 and February, 1989.

The American College of Healthcare Executives

The American College of Healthcare Executives, founded in 1933 and headquartered in Chicago, is an international, professional society of healthcare executives. Its affiliates include chief executive officers and managers of healthcare facilities, organizations and agencies worldwide.

The College's primary objective is to encourage management excellence in the healthcare system and to provide quality programs and services that meet the changing needs of the healthcare management profession and industry.

Each year the College presents several offerings of some 22 seminars and hosts nine conferences including Executive Session which focuses exclusively on the needs and professional development priorities of healthcare chief executive officers and the Partnership Series which brings together teams of executives, trustees and medical staff leadership from the same organization. Other major conferences include the College's annual Congress on Administration, Western Conference, Eastern Conference, Women's Conference, Technology Conference and Canadian Conference.

The College currently conducts healthcare management research; works with local, state, regional and national healthcare organizations; implements comprehensive programs for personal career development; and publishes healthcare management information, including Healthcare Executive, a bimonthly magazine, and Hospital and Health Services Administration, a bimonthly journal.

Through a credentialing process, the College strives to establish management standards, evaluating affiliates on management/educational experience, College-developed examination performance, and the merits of a Fellowship project.

In addition to its headquarters in Chicago, the College consists of Health Administration Press (HAP), a major healthcare publications business that is a division of the Foundation of the American College of Healthcare Executives, Ann Arbor, Michigan; and Career Decision, Inc. (CDI), a subsidiary of the American College of Healthcare Executives that provides a full range of career development services at its headquarters in Itasca, Illinois.

American Association of Healthcare Consultants

The American Association of Healthcare Consultants (AAHC) is a nationally recognized individual membership organization for professionals devoted to full-time hospital and healthcare consultation.

In addition to serving as a resource to healthcare providers, the AAHC offers continuing education to its members through an exchange of information experiences and structured educational programs. The association annually conducts institutes for individuals and groups interested in topical subjects related to healthcare delivery systems.

Formed 40 years ago, the AAHC is the only professional credentialing association whose members consult exclusively in the healthcare field. The association is committed to recognizing and certifying those consultants who provide objective, professional services and advice, and much of the association's effort is directed toward that goal.

Survey Committee

The survey committee responsible for the design, implementation and reporting of the results was composed of Stuart A. Wesbury, Jr., Ph.D., FACHE, President and Thomas C. Dolan, Ph.D., FACHE, Executive Vice President, American College of Healthcare Executives. Representing the American Association of Healthcare Consultants was Vaughan A. Smith, President, AAHC, and Stephen W. Hatch, FAAHC, Executive Vice President, Chi Systems, Incorporated.

Principal authors of the report were Peter A. Weil, Ph.D., Director of Research and Public Policy and James G. Potter, Policy Analyst, American College of Healthcare Executives.

Support in data analysis was provided by John L. Timmerberg, Division of Research and Public Policy, American College of Healthcare Executives.